

**AUDIT REPORT  
OF  
RED WILLOW COUNTY, NEBRASKA**

**Year Ended June 30, 2015**

**Donald D. Wilson, Certified Public Accountant  
McCook, Nebraska**

**AUDIT REPORT  
OF  
RED WILLOW COUNTY, NEBRASKA  
Year Ended June 30, 2015**

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Year Ended June 30, 2015**

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**INDEPENDENT AUDITOR'S REPORT**

County Board of Commissioners  
Red Willow County  
McCook, Nebraska 69001

**Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Red Willow County, Nebraska as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the financial statements of the County's primary government as listed in the Table of Contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

**Basis for Adverse Opinion**

The financial statements referred to above include only the primary government of Red Willow County, Nebraska which consists of all funds, departments, and offices that comprise the County's legal entity. The financial statements do not include financial data for the County's legally separate component unit. Accounting principles generally accepted in the United States of America require financial data for the County's legally separate component unit to be reported with the financial data of the County's primary government. The amount by which this departure would affect the assets, liabilities, net position, revenues, and expenses of the government-wide financial statements has not been determined.

**Adverse Opinion**

In my opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion" paragraph, the financial statements referred to above do not present fairly the financial position of the reporting entity of Red Willow County, Nebraska as of June 30, 2015, or the changes in its financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Unmodified Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information for the primary government of Red Willow County, Nebraska as of June 30, 2015, and the respective changes in financial position for the year then ended in conformity with the basis of accounting described in Note 1.

**Basis of Accounting**


I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements for the primary government were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. My opinion is not modified with respect to this matter.

**Report on Supplementary Information**

My audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Red Willow County, Nebraska financial statements. The budgetary comparison information and the combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The budgetary comparison information, combining and the individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated December 22, 2015 on my consideration of Red Willow County, Nebraska internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of an audit conducted in accordance with *Government Auditing Standards* in considering Red Willow County, Nebraska internal control over financial reporting and compliance.

  
Donald D. Wilson, CPA  
McCook, Nebraska

December 22, 2015

**RED WILLOW COUNTY, NEBRASKA**  
**STATEMENT OF NET POSITION - CASH BASIS**

June 30, 2015

	<b>EXHIBIT A</b>
	PRIMARY GOVERNMENT
	GOVERNMENTAL ACTIVITIES
<b>ASSETS</b>	
Equity in Pooled Cash and Cash Equivalents	3,412,544
Designated Investments	381,471
Total Assets	3,794,015
<b>NET POSITION</b>	
Restricted for:	
Jail Bond	354,523
Kiplinger Endowment	310,471
Bridge/Road Projects	112,677
Visitor's Promotion	87,098
Veteran's Aid	8,720
Child Support	66,611
Register of Deeds	5,739
Unrestricted	2,848,176
<b>TOTAL NET POSITION</b>	<b>3,794,015</b>

The Notes to the Financial Statements are an Integral Part of this Statement

**RED WILLOW COUNTY, NEBRASKA**  
**STATEMENT OF ACTIVITIES - CASH BASIS**  
**FOR THE YEAR ENDED June 30, 2015**

**Exhibit B**

		Program Cash Receipts		Net (Disbursements) Receipt and Changes in Net Assets
Cash Disbursements	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Governmental Activities	
Governmental Activities:				
General Government	2,719,675	346,680	98,721	(2,274,274)
Public Safety	1,729,867	187,294	178,337	(1,364,236)
Public Works	1,445,369	1,525		(1,443,844)
Public Health	243,796	167,707	17,495	(58,594)
Public Assistance	151,144	6,263		(144,881)
Culture and Recreation	850,228	298,306	8,155	(543,767)
Capital Outlay	1,084,125			(1,084,125)
Debt Service	777,645			(777,645)
Total Governmental Activities	9,001,849	1,007,775	302,708	(7,691,366)
General Receipts:				
Taxes:				
Property taxes, levied for general purposes				3,186,213
Property taxes, levied for public health				18,549
Property taxes, levied for culture and recreation				107,181
Property taxes, levied for debt service				333,689
Motor Vehicle Tax				445,862
Intergovernmental				1,422,656
Inheritance Tax				443,892
Interest				7,162
Miscellaneous				104,514
Total General Receipts				6,069,718
Other Financing Sources				387,256
Changes in Net Position				(1,234,392)
Net position - Beginning of Year				5,028,407
Net position - End of Year				3,794,015

The Notes to the Financial Statements are an Integral Part of this Statement

**RED WILLOW COUNTY, NEBRASKA**

**BALANCE SHEET - CASH BASIS  
GOVERNMENTAL FUNDS**

**June 30, 2015**

**EXHIBIT C**

	<u>General</u>	<u>Road</u>	<u>Self Insurance</u>	<u>Inheritance Tax</u>	<u>Jail Building</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>ASSETS</b>							
Equity in Pooled Cash and Cash Equivalents	948,487	372,696	435,507	611,644		1,044,210	3,412,544
Designated Investments					20,143	361,328	381,471
<b>Total Assets</b>	<u>948,487</u>	<u>372,696</u>	<u>435,507</u>	<u>611,644</u>	<u>20,143</u>	<u>1,405,538</u>	<u>3,794,015</u>
<b>FUND BALANCES:</b>							
Restricted						945,839	945,839
Assigned		372,696	435,507	611,644	20,143	459,699	1,899,689
Unassigned	948,487						948,487
<b>Total Fund Balances</b>	<u>948,487</u>	<u>372,696</u>	<u>435,507</u>	<u>611,644</u>	<u>20,143</u>	<u>1,405,538</u>	<u>3,794,015</u>

The Notes to the Financial Statements are an Integral Part of this Statement

RED WILLOW COUNTY, NEBRASKA

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED June 30, 2015

EXHIBIT D

	Special Revenue				Capital Project Fund Jail Building	NonMajor Governmental Funds	Total Governmental Total
	General	Road	Self Insurance	Inheritance Tax			
<b>CASH RECEIPTS</b>							
Property Taxes	3,186,213					459,419	3,645,632
Motor Vehicle Tax	445,863						445,863
Federal Grants	101,977					29,710	131,687
Intergovernmental	234,902	1,036,806				321,968	1,593,676
Inheritance Tax				443,892			443,892
Charges for Services	402,988	1,525				603,262	1,007,775
Interest	6,741				303	118	7,162
Miscellaneous	43,981	15,081	8,295		2,400	34,757	104,514
Total Cash Receipts	4,422,665	1,053,412	8,295	443,892	2,703	1,449,234	7,380,201
<b>CASH DISBURSEMENTS</b>							
General Government	1,658,001		1,030,527			31,147	2,719,675
Public Safety	1,483,142					246,725	1,729,867
Public Works	47,136	1,343,813				54,420	1,445,369
Public Health	3,024					240,772	243,796
Public Assistance	151,144						151,144
Culture and Recreation						850,228	850,228
Capital Outlay				230,714	853,411		1,084,125
Debt Service							
Principal Retirement						575,633	575,633
Interest						202,012	202,012
Total Cash Disbursements	3,342,447	1,343,813	1,030,527	230,714	853,411	2,200,937	9,001,849
Excess of Cash Receipts Over (Under) Cash Disbursements	1,080,218	(290,401)	(1,022,232)	213,178	(850,708)	(751,703)	(1,621,648)
<b>OTHER FINANCING SOURCES (USES)</b>							
Component Unit						387,256	387,256
Transfers In	11,253	196,457	820,074			62,201	1,089,985
Transfers (Out)	(1,016,531)	(62,201)				(11,253)	(1,089,985)
Total Other Financing Sources (Uses)	(1,005,278)	134,256	820,074	0	0	438,204	387,256
Net Change in Fund Balances	74,940	(156,145)	(202,158)	213,178	(850,708)	(313,499)	(1,234,392)
Fund Balances, Beginning of Year	873,547	528,841	637,665	398,466	870,851	1,719,037	5,028,407
Fund Balances, End of Year	948,487	372,696	435,507	611,644	20,143	1,405,538	3,794,015

The Notes to the Financial Statements are an Integral Part of this Statement

**RED WILLOW COUNTY, NEBRASKA**

**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - CASH BASIS**

**AGENCY FUNDS**

**Year Ended June 30, 2015**

**EXHIBIT E**

	Balance July 1, 2014	Receipts	Disbursements	Balance June 30, 2015
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	559,863	19,195,232	19,186,108	568,987
Designated Investments	108,249	11		108,260
<b>Total Assets</b>	<b>668,112</b>	<b>19,195,243</b>	<b>19,186,108</b>	<b>677,247</b>
<b>LIABILITIES</b>				
State	221,213	2,742,799	2,753,198	210,814
Schools	243,068	12,133,227	12,146,071	230,224
Educational Service Unit	2,483	156,015	156,204	2,294
Community College	14,384	889,230	890,622	12,992
Natural Resource District	13,103	911,680	916,759	8,024
Fire Districts	3,104	256,482	257,540	2,046
Cemetery Districts	1,398	7,570	6,867	2,101
Municipalities	45,251	1,546,785	1,541,254	50,782
Partial Payments	1,893	876	2,305	464
Historical Society	7,907	17,334	23,000	2,241
Nursing Home Operating	0	8,271		8,271
Unclaimed Property	317	20	74	263
Tentative Inheritance Tax	0	38,471		38,471
Redemptions	0	340,968	340,968	0
Tax Increment Financing	0	139,977	139,977	0
Property Tax Credit	5,742	5,527	11,269	0
Inheritance Trust Funds	108,249	11		108,260
<b>Total Liabilities</b>	<b>668,112</b>	<b>19,195,243</b>	<b>19,186,108</b>	<b>677,247</b>
<b>NET POSITION</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The Notes to the Financial Statements are an Integral Part of this Statement

**RED WILLOW COUNTY, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the more significant accounting policies and procedures adopted by Red Willow County, Nebraska:

A. Reporting Entity:

A Reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the county are not misleading. The County, for financial purposes, includes all of the funds relevant to the operation of Red Willow County. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from Red Willow County. The financial statements of the County include those of separately administered organizations that are controlled by, or dependent on, the County. Control or dependence is determined on the criteria of appointing a voting majority of an organization's governing body and (1) the ability of the county to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the county.

The Hillcrest Nursing Home is a component unit of the county because of the significance of its operational and financial relationships with the county. The financial statements do not include the data of the Hillcrest Nursing Home, necessary for reporting in conformity with generally accepted accounting principles (GAAP). Complete financial statements of the component unit can be obtained from the Nursing Home administrative office.

Other individual County offices maintain accounting records and account for monies received and disbursed directly by these offices. Only that portion of these monies which is subsequently received by the County Treasurer is reflected in the County's financial statements. Accountabilities of the monies for the various other offices of the county are presented on Schedule 7 of this report.

B. Basis of Presentation:

Government-wide Financial Statements:

The Statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government.

The statement of net position presents the county's non-fiduciary assets and liabilities, with the difference reported as net position. Net position is reported in two categories:

*Restricted Net Position* – result when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. The amount of restricted net position was \$945,839 as of June 30, 2015.

*Unrestricted Net Position*– has constraints on resources that are imposed by management, but can be removed or modified.

**RED WILLOW COUNTY, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**For the Year Ended June 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued):

Government-wide Financial Statements (Concluded):

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contribution that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

During the year, the county segregates transactions related to certain county functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the county at this more detailed level. The county uses two categories of funds, governmental and fiduciary. The focus of governmental fund financial statements is on the major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

The following are Red Willow County's major governmental funds:

General Fund:

The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the county for any purpose provided it is expended or transferred according to the general laws of Nebraska.

Road Fund (Special Revenue):

The Road Fund is used to account for revenues and expenditures for necessary road and bridge construction and improvements in accordance with Nebraska State Statute.

Self-Insurance (Special Revenue):

The Self Insurance fund is used to account for the county's self-insurance proceeds and costs.

Inheritance Tax (Special Revenue):

The Inheritance Tax Fund is used to account for inheritance tax collected in accordance with Nebraska State Statute. The fund balance is available to the county for any purpose.

Jail Building (Capital Project):

To Jail Building is used to account for the bond issuance proceeds, and the expenditures of such funds for the purpose of a new jail. This fund is used strictly for the construction of the jail facility.

**RED WILLOW COUNTY, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**For the Year Ended June 30, 2015**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

B. Basis of Presentation (Concluded):  
Fund Financial Statements (Concluded):

In the fund financial statements, governmental fund balances are required to be reported according to the following classifications:

*Restricted fund balance* – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance* – Amounts that can only be used for specific purposes because of a formal action (resolution) by the County’s highest level of decision-making authority, the County Board.

*Assigned fund balance* – Amounts that are constrained by the County’s intent to be used for specific purposes, but do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the County Board, or by an official to whom that authority has been given. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

*Unassigned fund balance* – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

Fiduciary Funds:

Fiduciary fund reporting focuses on net assets and changes in net position. The County’s only fiduciary funds are agency funds. The agency funds account for assets held by the County for political subdivisions in which the county acts as a fiscal agent and for taxes, state-levied shared revenues, and fines and forfeitures collected and distributed to other political subdivisions.

Reservation of Fund Balance:

Reservations of fund balances are reported for amounts that are not available for appropriations or are legally restricted by outside parties for use for a specific purpose.

C. Basis of Accounting:

The funds of the County and the financial statements have been prepared on the cash receipts and disbursements basis of accounting. Revenues are taken into account only when received by the county and expenditures are recorded when warrants are issued. This differs from generally accepted accounting principles, which require governmental fund accounting to follow the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become susceptible to accrual and obligations are generally recognized when they are incurred.

**RED WILLOW COUNTY, NEBRASKA**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**For the Year Ended June 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED):**

**D. Capital Assets:**

Capital assets, which include property, equipment and vehicles, and infrastructure assets (e.g., roads, bridges, culverts, and similar items which are immovable and of value only to the government), are not reported in the governmental activities column in the government-wide statement of net assets. The capital assets acquisitions are reflected as expenditures in governmental funds, and not capitalized.

**E. Revenue Recognition – Property Taxes:**

Property taxes are levied by October 15 based on valuations as of April 1. Real Estate taxes become due and attach as an enforceable lien on property as of December 31. Real Estate and Personal Property taxes are payable in two installments and become delinquent on May 1 and September 1, following the levy date. Motor Vehicle taxes are due when application is made for registration of a Motor Vehicle.

Counties are permitted by the State Constitution to levy a tax of up to \$.50/\$100 of assessed valuation for general governmental services, except that \$.05 of \$100 of taxable valuation of property subject to the levy may only be levied to provide financing for the County's share of revenue required under an agreement executed pursuant to the Inter-local Cooperation act. The County may allocate up to fifteen cents of its authority to other political subdivisions including: Fire Districts, Cemetery Districts, and a Historical Society. The County may levy taxes in addition to the .50-cent limitation upon a vote of the people. The levy set in October, 2014 for 2014 taxes which will be materially collected in May and September, 2015, was set at \$.310926/\$100 of assessed valuation. Assessed valuation for Red Willow County for the 2014 tax levy was \$1,128,594,832.

Additionally, there is currently a legislatively imposed lid limitation, which limits taxation to the prior year's level, with provisions for growth and the reduction of state aid. It may be increased by 2.5%, plus allowable growth, and an additional 1% by a three-fourths majority of the county board, or to any level by a vote of the people in the county.

**RED WILLOW COUNTY, NEBRASKA**

**NOTES TO FINANCIAL STATEMENT - CONTINUED**

**For the Year Ended June 30, 2015**

**NOTE 2: POOLED CASH AND CASH EQUIVALENTS:**

The County Treasurer has generally pooled the cash resources of the various funds for investment purposes. Cash and cash equivalents are considered to be cash on hand and demand deposits. Interest earned on pooled funds is credited to the County General Fund in accordance with Section 77-2315, R.R.S. 1943. Investments made specifically from and for a particular fund are summarized as "Designated Investments". Interest on these investments is credited to the fund from which the investment is made, also in accordance with the above-cited statute.

The types of investments the County is authorized to invest funds in are enumerated in State Statutes and generally include U.S. government obligations, certificates of deposit, time deposits and securities in which the state investment officer is authorized to invest. As defined by Governmental Accounting Standards Board Statement #3, the County had no investments as of June 30, 2015.

Red Willow County is a participant in an external investment pool, the Nebraska Public Agency Investment Trust (NPAIT). NPAIT is a separate legal and administrative entity organized and existing pursuant to the Inter-Local Cooperation Act and other Nebraska law. NPAIT was established as of July 11, 1996, by the adoption of an Inter-Local Agreement and Declaration of Trust by the Initial Participants and Settlers. The County Treasurer had \$1,769,849 invested with NPAIT as of June 30, 2015. Securities held by NPAIT are not held in the County's name.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. State law restricts the type of collateral securities allowed. The deposits for Red Willow County as of June 30, 2015 were entirely covered by federal depository insurance or by collateral securities pledged to the County Treasurer and held by the safekeeping department of the depository's correspondent bank.

**NOTE 3: INTERFUND TRANSFERS:**

The detail of inter-fund transfers for the year ended June 30, 2015 is as follows:

<u>Transfers To</u>	<u>Transfers From</u>	<u>Amount</u>
General	Planning and Zoning	2,373
General	Child Support Incentive	8,880
Road	General	196,457
Self-Insurance	General	820,074
Highway Allocation Bond	Road	62,201

Transfers generally move resources from the General Fund, statutorily required to collect the resources, to the fund statutorily required to expend the resources. The transfer from the Road Fund was for a bond payment. The transfers from Planning and Zoning closed this fund, and the transfer from the Child Support Incentive was the county portion of the fund balance.

**RED WILLOW COUNTY, NEBRASKA**

**NOTES TO FINANCIAL STATEMENT - CONTINUED**

**For the Year Ended June 30, 2015**

**NOTE 4: RETIREMENT PROGRAM:**

The Retirement Program for Nebraska Counties is a multiple-employer cash balance benefit plan or a defined contribution plan administered by the Nebraska Public Employees Retirement Board (NPERB) in accordance with the provisions of the County Employees Retirement Act beginning at State Statute Section 23-2301.

Each member who is employed and participating in the retirement system prior to January 1, 2003, may either elect to continue participation in the defined contribution benefit plan or elect to participate in the cash balance benefit plan. All new members as of January 1, 2003 will participate in the cash balance benefit plan. In a cash balance benefit plan, benefits depend on amounts contributed to the plan plus interest credits. In a defined contribution plan, benefits depend on amounts contributed to the plan plus investment earnings. All elected officials and full-time employees who have attained the age of twenty will begin immediate plan participation upon hire. Permanently employed part-time employees may exercise the option to begin immediate participation. Employees contribute 4.5% of their salary and the county match is 6.75% of the salary. Commissioned law enforcement personnel employed by the county contribute 5.5% of their salary and the county match is 7.75% of the salary. The employee and employer's contributions are kept in separate accounts. The employer's account is fully vested. The employee's account is vested 100% after three years participation in the plan. Prior service benefits are paid directly by the County to the retired employee. The county's contributions to NPERB for the years ended June 30, 2015, 2014, and 2013 were \$154,325, \$140,140, and \$133,794 respectively. Prior service benefit paid was \$360 for each of the three fiscal years.

**NOTE 5: BONDS PAYABLE COMMITMENTS:**

The following is a summary of changes in long-term commitments of the County for the year ended June 30, 2015:

	Balance July 1, 2014	Additions	Retirements	Balance June 30, 2015
Bonds:				
Jail Building Series 2013	4,895,000		220,000	4,675,000
Hillcrest Series 2011	2,145,000		100,000	2,045,000
Highway Allocation Bonds	61,738		61,738	0
<b>Total</b>	<b>7,101,738</b>	<b>0</b>	<b>381,738</b>	<b>6,720,000</b>

**RED WILLOW COUNTY, NEBRASKA**

**NOTES TO FINANCIAL STATEMENT - CONTINUED**

**For the Year Ended June 30, 2015**

**NOTE 5: BONDS PAYABLE COMMITMENTS (CONCLUDED):**

A summary of the annual requirements to service the bonds as of June 30, 2015, is as follows:

Year Ended	Jail Building Bond			Hillcrest Series 2011 Bond		
	Principal	Interest	Total	Principal	Interest	Total
June 30, 2016	220,000	107,598	327,598	100,000	63,052	163,052
June 30, 2017	225,000	106,316	331,316	100,000	62,002	162,002
June 30, 2018	225,000	104,573	329,573	100,000	60,703	160,703
June 30, 2019	225,000	102,322	327,322	100,000	59,078	159,078
June 30, 2020	230,000	99,475	329,475	105,000	57,075	162,075
June 30, 2021	235,000	95,868	330,868	105,000	54,713	159,713
Years 2022-2027	1,515,000	464,401	1,979,401	710,000	260,384	970,384
Years 2028-2033	<u>1,800,000</u>	<u>182,261</u>	<u>1,982,261</u>	<u>725,000</u>	<u>80,087</u>	<u>805,087</u>
<b>Total</b>	<u><b>4,675,000</b></u>	<u><b>1,262,814</b></u>	<u><b>5,937,814</b></u>	<u><b>2,045,000</b></u>	<u><b>697,094</b></u>	<u><b>2,742,094</b></u>

**Jail Building Bond**

Due serially in annual principal payments of \$205,000 to \$325,000, plus interest at .3% to 3.35%. Final payment is due December 15, 2032. These are Limited Tax Obligation Bonds issued June 20, 2013 in the amount of \$5,100,000 for the construction of a new jail. Bonds maturing on and after June 20, 2018, are subject to optional redemption prior to maturity, in any order of maturity, in integral multiples of \$5,000. Interest on the Bonds at the respective rates for each maturity is payable semiannually on December 15th and June 15th each year. The maximum annual debt service payable on the bonds will not exceed a levy of 5.2¢ per \$100 upon all the taxable property in the County, subject to the county's constitutional levy limitation.

**Hillcrest Nursing Home Bond, 2011 Series**

Due serially in annual principal payments of \$100,000 to \$155,000, plus interest at .8% to 4.30%. Final payment is due October 1, 2031. These are General Obligation Refunding Bonds issued September 28, 2011 in the amount of \$2,145,000 for improvements at the Hillcrest Nursing Home. Bonds maturing on and after October 1, 2017, are subject to optional redemption prior to maturity, in any order of maturity, in integral multiples of \$5,000. Interest on the Bonds at the respective rates for each maturity is payable semiannually on October 1 and April 1 each year. The Nursing Home Bond is a general obligation of Red Willow County, payable, unless paid from other sources, out of the funds of the County, which may be raised among other sources, by taxes levied by valuation on all taxable property in the County.

**RED WILLOW COUNTY, NEBRASKA**

**NOTES TO FINANCIAL STATEMENT - CONTINUED**

**For the Year Ended June 30, 2015**

**NOTE 6: LOAN PAYABLE COMMITMENTS:**

The following is a summary of the changes in the loan payable commitments during the fiscal year:

	Balance July 1, 2014	Additions	Retirements	Balance June 30, 2015
Hillcrest Nursing Home Loan	817,824	0	193,895	623,929
County Fair	<u>0</u>	<u>30,000</u>	<u>0</u>	<u>30,000</u>
<b>Total</b>	<u><u>817,824</u></u>	<u><u>30,000</u></u>	<u><u>193,895</u></u>	<u><u>653,929</u></u>

A summary of the commitments under loan agreements provides for annual payments as follows:

Year Ended	Hillcrest Nursing Home Loan			County Fair		
	Principal	Interest	Total	Principal	Interest	Total
June 30, 2016	200,779	22,149	222,928	5,584	1,050	6,634
June 30, 2017	207,865	15,063	222,928	5,779	855	6,634
June 30, 2018	215,285	7,643	222,928	5,981	652	6,633
June 30, 2019				6,191	443	6,634
June 30, 2020				<u>6,465</u>	<u>172</u>	<u>6,637</u>
<b>Total</b>	<u><u>623,929</u></u>	<u><u>44,855</u></u>	<u><u>668,784</u></u>	<u><u>30,000</u></u>	<u><u>3,172</u></u>	<u><u>33,172</u></u>

**Nursing Home Loan:**

Due in annual principal and interest payments of \$222,928, with interest at 3.55%, payable to McCook National Bank. Final payment is due September 15, 2017. This loan was an emergency due to insolvency or near insolvency of the county nursing home.

**County Fair:**

Due in annual principal and interest payments of \$6,634, with interest at 3.50%, payable to McCook National Bank. Final payment is due March 4, 2020. This loan was for the purchase of 20 horse stalls.

**NOTE 7: FEDERALLY ASSISTED PROGRAMS:**

The County receives substantial grants from the federal and state governments, all of which are subject to audit by the respective governments. Subsequent audits may disallow expenditures financed by governmental grant programs, although past audits have resulted in no violations of grant regulations and no requests for reimbursement. It is the opinion of management that requests for reimbursement, if any, by either the federal or state governments based on subsequent audits will not be material in relation to the County's financial statements as of June 30, 2015.

**RED WILLOW COUNTY, NEBRASKA**

**NOTES TO FINANCIAL STATEMENT - CONTINUED**

**For the Year Ended June 30, 2015**

**NOTE 8: RELATED PARTY TRANSACTIONS:**

There were no related party transactions having a material effect on the financial statements for the year ended June 30, 2015.

**NOTE 9: ACCUMULATED COMPENSATED ABSENCES:**

It is the County's Policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave. Upon separation from the County's service, the accumulated vacation would be paid but the sick leave would be forfeited. The cost of vacation and sick leave are recognized when payments are made to the individual.

**NOTE 10: JOINT VENTURE:**

Red Willow County has entered into an agreement with the other counties in Region II in conjunction with the Nebraska Department of Public Institutions to provide services to carry out the provisions of the Nebraska Comprehensive Community Mental Health Services Act and the related alcoholism and drug abuse services and the Developmental Disabilities Services Act (Acts). Region II consists of the following counties: Grant, Hooker, Thomas, Arthur, McPherson, Logan, Keith, Lincoln, Perkins, Chase, Hayes, Frontier, Dawson, Gosper, Dundy, Hitchcock and Red Willow. Each county contributes to the financial support of the Region activities based on formulas developed by the Region governing board. Funding is provided by a combination of federal, state, local, and private funding. Red Willow County contributed \$51,300 toward the operation of Region II during fiscal year 2014. In the event of the termination of the agreement, assets would be disposed of in accordance with the terms of the agreement. The Nebraska Department of Public Institutions requires the Region to be audited annually in accordance with State Statute. Financial information for the Region is available in that audit report.

**NOTE 11: RISK MANAGEMENT:**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended June 30, 2015, the county managed its risks as follows:

Liability Insurance

The County has purchased liability insurance for risks related to torts; theft or damage to property; and errors and omissions of public officials from a commercial insurance carrier. Settled Claims have not exceeded this commercial coverage in any of the past three fiscal years.

Employee Health Insurance

On November 1, 1992, Red Willow County began a partial self-funded employee health insurance plan. The County has contracted with Regional Care, a group insurance firm, for benefit administration and payment of claims. Red Willow County pays to Regional Care monthly actual claims paid for plan-covered employees and projected claims assessments.

**RED WILLOW COUNTY, NEBRASKA**

**NOTES TO FINANCIAL STATEMENT - CONCLUDED**

**For the Year Ended June 30, 2015**

NOTE 11: JOINT VENTURE (CONCLUDED):

In partial self-funded insurance, the County selects the amount of risk they wish to assume, and purchases "stop loss" insurance for all excess amounts. Red Willow County entered into an agreement with American Fidelity Assurance Company for aggregate and specific reinsurance. Shown here are the reinsurance coverage's:

Aggregate eligible expenses: Medical, Dental and Prescription Card Services.

Specific deductible per person	\$ 30,000
Maximum aggregate reimbursement	\$1,000,000

**RED WILLOW COUNTY, NEBRASKA**

**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND**

For the Year Ended June 30, 2015

**EXHIBIT F**

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>CASH RECEIPTS:</b>				
Taxes	3,445,667	3,445,667	3,632,077	186,410
Federal	63,100	63,100	101,977	38,877
State	125,139	125,139	142,038	16,899
Local	465,156	465,156	546,573	81,417
<b>Total Cash Receipts</b>	<b>4,099,062</b>	<b>4,099,062</b>	<b>4,422,665</b>	<b>323,603</b>
<b>CASH DISBURSEMENTS:</b>				
General Government:				
Board of Commissioners	75,975	75,975	70,689	5,286
Clerk	174,967	174,967	161,970	12,997
Treasurer	219,470	219,470	204,842	14,628
Assessor	221,895	221,895	189,985	31,910
Election Commissioner	25,180	25,180	24,832	348
Planning and Zoning	8,000	8,000	6,390	1,610
Unemployment Security	10,000	10,000		10,000
Clerk of the District Court	100,789	100,789	90,357	10,432
County Court System	17,100	17,100	16,957	143
District Judge	10,000	10,000	7,113	2,887
Building and Grounds	148,791	148,791	121,039	27,752
Extension Office	114,216	114,216	108,779	5,437
Miscellaneous	681,982	670,482	655,048	15,434
<b>Total General Government</b>	<b>1,808,365</b>	<b>1,796,865</b>	<b>1,658,001</b>	<b>138,864</b>
Public Safety:				
Sheriff	407,684	407,684	389,425	18,259
Attorney	148,256	148,256	147,011	1,245
Jail	941,136	941,136	747,684	193,452
Probation Officer	8,776	8,776	8,776	0
Juvenile Detention	12,000	12,000	288	11,712
Emergency Management	60,835	60,835	34,278	26,557
Miscellaneous	173,939	173,939	155,680	18,259
<b>Total Public Safety</b>	<b>1,752,626</b>	<b>1,752,626</b>	<b>1,483,142</b>	<b>269,484</b>
Public Works:				
Surveyor	29,500	29,500	13,883	15,617
Noxious Weed Control	44,285	44,285	33,253	11,032
<b>Total Public Works</b>	<b>73,785</b>	<b>73,785</b>	<b>47,136</b>	<b>26,649</b>
Public Health:				
Miscellaneous	5,500	5,500	3,024	2,476
<b>Total Public Health</b>	<b>5,500</b>	<b>5,500</b>	<b>3,024</b>	<b>2,476</b>
Public Assistance:				
County Relief	10,400	10,400	1,410	8,990
Veteran's Service Officer	59,560	64,560	62,536	2,024
Institutions	57,740	64,240	63,979	261
Miscellaneous	24,000	24,000	23,219	781
<b>Total Public Assistance</b>	<b>151,700</b>	<b>163,200</b>	<b>151,144</b>	<b>12,056</b>

**RED WILLOW COUNTY, NEBRASKA**

**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND**

**For the Year Ended June 30, 2015**

**EXHIBIT F  
CONCLUDED**

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Total Cash Disbursements	3,791,976	3,791,976	3,342,447	449,529
Excess of Cash Receipts Over (Under) Cash Disbursements	307,086	307,086	1,080,218	773,132
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	2,373	2,373	11,253	8,880
Operating Transfers (Out)	(883,006)	(883,006)	(1,016,531)	(133,525)
Total Other Financing Sources (Uses)	(880,633)	(880,633)	(1,005,278)	(124,645)
Net Change in Fund Balance	(573,547)	(573,547)	74,940	648,487
Fund Balance, Beginning of Year	873,547	873,547	873,547	0
Fund Balance, End of Year	300,000	300,000	948,487	648,487

See Accompanying Notes to Budgetary Reporting

RED WILLOW COUNTY, NEBRASKA

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL  
ROAD FUND

For the Year Ended June 30, 2015

EXHIBIT G

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH RECEIPTS:				
State	1,005,270	1,005,270	1,036,511	31,241
Local	19,598	19,598	16,901	(2,697)
Total Cash Receipts	<u>1,024,868</u>	<u>1,024,868</u>	<u>1,053,412</u>	<u>28,544</u>
CASH DISBURSEMENTS:				
Public Works:				
Road Department	1,475,467	1,475,467	1,343,813	131,654
Total Cash Disbursements	<u>1,475,467</u>	<u>1,475,467</u>	<u>1,343,813</u>	<u>131,654</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>(450,599)</u>	<u>(450,599)</u>	<u>(290,401)</u>	<u>160,198</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	234,000	234,000	196,457	(37,543)
Operating Transfers (Out)	(62,201)	(62,201)	(62,201)	
Total Other Financing Sources (Uses)	<u>171,799</u>	<u>171,799</u>	<u>134,256</u>	<u>(37,543)</u>
Net Change in Fund Balance	(278,800)	(278,800)	(156,145)	122,655
Fund Balance, Beginning of Year	<u>528,841</u>	<u>528,841</u>	<u>528,841</u>	<u>0</u>
Fund Balance, End of Year	<u>250,041</u>	<u>250,041</u>	<u>372,696</u>	<u>122,655</u>

See Accompanying Notes to Budgetary Reporting

RED WILLOW COUNTY, NEBRASKA

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL  
SELF INSURANCE

For the Year Ended June 30, 2015

EXHIBIT H

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH RECEIPTS:				
Local			8,295	8,295
Total Cash Receipts	0	0	8,295	8,295
CASH DISBURSEMENTS:				
General Government	1,460,112	1,460,112	1,030,527	429,585
Total Cash Disbursements	1,460,112	1,460,112	1,030,527	429,585
Excess of Cash Receipts Over (Under) Cash Disbursements	(1,460,112)	(1,460,112)	(1,022,232)	437,880
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	832,447	832,447	820,074	(12,373)
Operating Transfers (Out)				
Total Other Financing Sources (Uses)	832,447	832,447	820,074	(12,373)
Net Change in Fund Balance	(627,665)	(627,665)	(202,158)	425,507
Fund Balance, Beginning of Year	637,665	637,665	637,665	0
Fund Balance, End of Year	10,000	10,000	435,507	425,507

See Accompanying Notes to Budgetary Reporting

RED WILLOW COUNTY, NEBRASKA

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH BASIS FUND BALANCE - BUDGET AND ACTUAL  
INHERITANCE TAX

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
CASH RECEIPTS:				
Local	250,000	250,000	443,892	193,892
Total Cash Receipts	250,000	250,000	443,892	193,892
CASH DISBURSEMENTS:				
Capital Outlay	122,393	122,393	230,714	(108,321)
Total Cash Disbursements	122,393	122,393	230,714	(108,321)
Excess of Cash Receipts Over (Under) Cash Disbursements	127,607	127,607	213,178	85,571
OTHER FINANCING SOURCES (USES)				
Operating Transfers In				
Operating Transfers (Out)	(350,000)	(350,000)		350,000
Total Other Financing Sources (Uses)	(350,000)	(350,000)	0	350,000
Net Change in Fund Balance	(222,393)	(222,393)	213,178	435,571
Fund Balance, Beginning of Year	398,466	398,466	398,466	0
Fund Balance, End of Year	176,073	176,073	611,644	435,571

See Accompanying Notes to Budgetary Reporting

**RED WILLOW COUNTY, NEBRASKA**

**NOTES TO SUPPLEMENTARY INFORMATION  
BUDGETARY REPORTING**

**For the Year Ended June 30, 2015**

**NOTE 1: GAAP REQUIREMENTS:**

Generally Accepted Accounting Principles (GAAP) requires budgetary comparison schedules for the General Fund, and for each major special revenue funds that have a legally adopted annual budget. GAAP further requires the budgetary comparison schedules to include the original budget and final budget amounts. The original budget is the first complete appropriated budget adjusted by reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes before the beginning of the fiscal year. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year as approved by the County Board.

**NOTE 2: BUDGET POLICY:**

The County follows these procedures in establish the budgetary data reflected in the schedules in accordance with the statutory requirements of the Nebraska Budget Act.

On or before August 1 the finance committee or other designated budget-making authority prepares and transmits a budget for each County fund showing the requirements, the outstanding warrants, the operating reserve to be maintained, the cash on hand at the close of the preceding fiscal year, the revenue from sources other than taxation, and the amount to be raised by taxation. The budget, like the County financial statements, is prepared on the cash receipts and disbursements basis of accounting. The budget contains only those revenues, which have actually been received by the County Treasurer.

The County Board must hold at least one public hearing. Prior to September 20, after the action of the State Board of Equalization and Assessment has been certified to the County Clerk, the budget, as revised, is adopted and the amounts provided therein are appropriated.

The County Board is authorized to transfer budgeted amounts between departments within any fund through resolution; however, revisions that alter the total expenditures of any fund require that an additional public hearing be held. Appropriations lapse at year-end.

**NOTE 3: AMENDED BUDGETS:**

The Veteran's Service Officer and Institutions budgets in the General Fund were properly amended per transferring budget authority of \$5,000, and \$6,500, respectively from miscellaneous general.

**NOTE 4: EXCESS OF EXPENDITURES OVER BUDGETED APPROPRIATIONS:**

The miscellaneous general function within the General Fund exceeded budget appropriation by \$96,575.

**RED WILLOW COUNTY, NEBRASKA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

June 30, 2015

**SCHEDULE 1**

	Special Revenue Funds (Schedule 3)	Debt Service Fund Jail Bond	Total Nonmajor Governmental Funds (Exhibit C)
<b>ASSETS</b>			
Equity in Pooled Cash and Cash Equivalents	689,687	354,523	1,044,210
Designated Investments	361,328		361,328
Total Assets	1,051,015	354,523	1,405,538
<b>FUND BALANCES:</b>			
Restricted	591,316	354,523	945,839
Assigned	459,699		459,699
Total Fund Balances	1,051,015	354,523	1,405,538

**RED WILLOW COUNTY, NEBRASKA**  
**COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND**  
**CHANGES IN CASH BASIS FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED June 30, 2015**

	Special Revenue Funds (Schedule 4)	Debt Service Funds (Schedule 5)	SCHEDULE 2 Total Nonmajor Governmental Funds (Exhibit D)
<b>CASH RECEIPTS</b>			
Property Taxes	125,730	333,689	459,419
Federal Grants	29,710		29,710
Intergovernmental	310,948	11,020	321,968
Charges for Services	603,262		603,262
Interest	118		118
Miscellaneous	34,757		34,757
	<u>1,104,525</u>	<u>344,709</u>	<u>1,449,234</u>
Total Cash Receipts			
<b>CASH DISBURSEMENTS</b>			
General Government	22,152	8,995	31,147
Public Safety	246,725		246,725
Public Works	54,420		54,420
Public Health	240,772		240,772
Culture and Recreation	850,228		850,228
Debt Service:			
Principal Retirement	193,895	381,738	575,633
Interest	29,033	172,979	202,012
	<u>1,637,225</u>	<u>563,712</u>	<u>2,200,937</u>
Total Cash Disbursements			
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>(532,700)</u>	<u>(219,003)</u>	<u>(751,703)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Component Unit	222,928	164,328	387,256
Transfers In		62,201	62,201
Transfers (Out)	(11,253)		(11,253)
	<u>211,675</u>	<u>226,529</u>	<u>438,204</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	(321,025)	7,526	(313,499)
Fund Balances, Beginning of Year	<u>1,372,040</u>	<u>346,997</u>	<u>1,719,037</u>
Fund Balances, End of Year	<u><u>1,051,015</u></u>	<u><u>354,523</u></u>	<u><u>1,405,538</u></u>

**RED WILLOW COUNTY, NEBRASKA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**

June 30, 2015

**SCHEDULE 3**

	Highway Buyback	Child Support Incentive	Visitor's Promotion	Visitor's Improvement	Fair	Fair Sinking
<b>ASSETS</b>						
Equity in Pooled Cash and Cash Equivalents Designated Investments	112,677	66,611	25,013	62,085	64,605	11,955
Total Assets	<u>112,677</u>	<u>66,611</u>	<u>25,013</u>	<u>62,085</u>	<u>64,605</u>	<u>11,955</u>
<b>FUND BALANCES:</b>						
Restricted Assigned	112,677	66,611	25,013	62,085	64,605	11,955
Total Fund Balances	<u>112,677</u>	<u>66,611</u>	<u>25,013</u>	<u>62,085</u>	<u>64,605</u>	<u>11,955</u>

	Register of Deeds P&M	Kiplinger Arena	Kiplinger Endowment	Veteran's Aid	STOP Diversion	Drug Law Enforcement
<b>ASSETS</b>						
Equity in Pooled Cash and Cash Equivalents Designated Investments	5,739			8,720	25,506	
		49,804	310,471			1,053
Total Assets	<u>5,739</u>	<u>49,804</u>	<u>310,471</u>	<u>8,720</u>	<u>25,506</u>	<u>1,053</u>
<b>FUND BALANCES:</b>						
Restricted Assigned	5,739	49,804	310,471	8,720	25,506	1,053
Total Fund Balances	<u>5,739</u>	<u>49,804</u>	<u>310,471</u>	<u>8,720</u>	<u>25,506</u>	<u>1,053</u>

	Juvenile Services	Health Department	Waste Disposal	Total Nonmajor Special Revenue Funds (Schedule 1)
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents Designated Investments	13,157	113,710	179,909	689,687
				361,328
Total Assets	<u>13,157</u>	<u>113,710</u>	<u>179,909</u>	<u>1,051,015</u>
<b>FUND BALANCES:</b>				
Restricted Assigned	13,157	113,710	179,909	591,316 459,699
Total Fund Balances	<u>13,157</u>	<u>113,710</u>	<u>179,909</u>	<u>1,051,015</u>

RED WILLOW COUNTY NEBRASKA

COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN CASH BASIS FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS

For The Year Ended June 30, 2015

SCHEDULE 4

	Highway Buyback	Planning and Zoning	Child Support Incentive	Visitor's Promotion	Visitor's Improvement
<b>CASH RECEIPTS</b>					
Property Taxes					
Federal Grants			12,215		
Intergovernmental	85,653			71,849	80,003
Charges for Services					
Interest					
Miscellaneous					
<b>Total Cash Receipts</b>	<b>85,653</b>	<b>0</b>	<b>12,215</b>	<b>71,849</b>	<b>80,003</b>
<b>CASH DISBURSEMENTS</b>					
General Government					
Public Safety					
Public Works	54,420				
Public Health					
Culture and Recreation				60,154	62,378
Debt Service					
Principal Retirement					
Interest					
<b>Total Cash Disbursements</b>	<b>54,420</b>	<b>0</b>	<b>0</b>	<b>60,154</b>	<b>62,378</b>
Excess of Cash Receipts Over (Under) Cash Disbursements	31,233	0	12,215	11,695	17,625
<b>OTHER FINANCING SOURCES (USES):</b>					
Component Unit					
Transfers (Out)		(2,373)	(8,880)		
<b>Total Other Financing Sources</b>	<b>0</b>	<b>(2,373)</b>	<b>(8,880)</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>31,233</b>	<b>(2,373)</b>	<b>3,335</b>	<b>11,695</b>	<b>17,625</b>
Fund Balances, Beginning of Year	81,444	2,373	63,276	13,318	44,460
Fund Balances, End of Year	112,677	0	66,611	25,013	62,085

RED WILLOW COUNTY NEBRASKA

COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN CASH BASIS FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS

For The Year Ended June 30, 2015

SCHEDULE 4  
CONTINUED

	Fair	Fair Sinking	Register of Deeds P&M	Kiplinger Arena	Kiplinger Endowment
<b>CASH RECEIPTS</b>					
Property Taxes	107,180			1	
Federal Grants					
Intergovernmental	3,382				
Charges for Services	184,879	1,736	7,751	111,691	
Interest				61	56
Miscellaneous	25,283				
<b>Total Cash Receipts</b>	<b>320,724</b>	<b>1,736</b>	<b>7,751</b>	<b>111,753</b>	<b>56</b>
<b>CASH DISBURSEMENTS</b>					
General Government			5,781		
Public Safety					
Public Works					
Public Health					
Culture and Recreation	339,178			100,729	287,789
Debt Service					
Principal Retirement					
Interest					
<b>Total Cash Disbursements</b>	<b>339,178</b>	<b>0</b>	<b>5,781</b>	<b>100,729</b>	<b>287,789</b>
Excess of Cash Receipts Over (Under) Cash Disbursements	(18,454)	1,736	1,970	11,024	(287,733)
<b>OTHER FINANCING SOURCES (USES):</b>					
Component Unit Transfers (Out)					
<b>Total Other Financing Sources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>(18,454)</b>	<b>1,736</b>	<b>1,970</b>	<b>11,024</b>	<b>(287,733)</b>
Fund Balances, Beginning of Year	83,059	10,219	3,769	38,780	598,204
Fund Balances, End of Year	64,605	11,955	5,739	49,804	310,471

RED WILLOW COUNTY NEBRASKA

COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN CASH BASIS FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS

For The Year Ended June 30, 2015

SCHEDULE 4  
CONTINUED

	Veteran's Aid	STOP Diversion	Drug Law Enforcement	Juvenile Services	Reusable CDBG Grants
<b>CASH RECEIPTS</b>					
Property Taxes					
Federal Grants					
Intergovernmental	56				
Charges for Services		3,240			
Interest			1		
Miscellaneous					
Total Cash Receipts	56	3,240	1	0	0
<b>CASH DISBURSEMENTS</b>					
General Government					16,371
Public Safety		1,618			
Public Works					
Public Health					
Culture and Recreation					
Debt Service					
Principal Retirement					
Interest					
Total Cash Disbursements	0	1,618	0	0	16,371
Excess of Cash Receipts Over (Under) Cash Disbursements	56	1,622	1	0	(16,371)
<b>OTHER FINANCING SOURCES (USES):</b>					
Component Unit Transfers (Out)					
Total Other Financing Sources	0	0	0	0	0
Net Change in Fund Balances	56	1,622	1	0	(16,371)
Fund Balances, Beginning of Year	8,664	23,884	1,052	13,157	16,371
Fund Balances, End of Year	8,720	25,506	1,053	13,157	0

**RED WILLOW COUNTY NEBRASKA**

**COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN CASH BASIS FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS**

For The Year Ended June 30, 2015

**SCHEDULE 4  
CONCLUDED**

	Health Department	Hillcrest Nursing Home Loan	Waste Disposal	Total Nonmajor Special Revenue Funds (Schedule 2)
<b>CASH RECEIPTS</b>				
Property Taxes	18,549			125,730
Federal Grants	17,495			29,710
Intergovernmental	76		69,929	310,948
Charges for Services	167,707		126,258	603,262
Interest				118
Miscellaneous	116		9,358	34,757
	<u>203,943</u>	<u>0</u>	<u>205,545</u>	<u>1,104,525</u>
<b>CASH DISBURSEMENTS</b>				
General Government				22,152
Public Safety			245,107	246,725
Public Works				54,420
Public Health	240,772			240,772
Culture and Recreation				850,228
Debt Service				
Principal Retirement		193,895		193,895
Interest		29,033		29,033
	<u>240,772</u>	<u>222,928</u>	<u>245,107</u>	<u>1,637,225</u>
Total Cash Disbursements	<u>240,772</u>	<u>222,928</u>	<u>245,107</u>	<u>1,637,225</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	<u>(36,829)</u>	<u>(222,928)</u>	<u>(39,562)</u>	<u>(532,700)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Component Unit		222,928		222,928
Transfers (Out)				(11,253)
Total Other Financing Sources	<u>0</u>	<u>222,928</u>	<u>0</u>	<u>211,675</u>
Net Change in Fund Balances	(36,829)	0	(39,562)	(321,025)
Fund Balances, Beginning of Year	<u>150,539</u>	<u>0</u>	<u>219,471</u>	<u>1,372,040</u>
Fund Balances, End of Year	<u><u>113,710</u></u>	<u><u>0</u></u>	<u><u>179,909</u></u>	<u><u>1,051,015</u></u>

RED WILLOW COUNTY NEBRASKA

COMBINING SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN CASH BASIS FUND BALANCES  
NONMAJOR DEBT SERVICE FUNDS

For The Year Ended June 30, 2015

SCHEDULE 5

	Jail Bond	Highway Allocation Bond	Hillcrest Nursing Home 2008 Bond	Hillcrest Nursing Home 2011 Bond	Total Nonmajor Debt Service Funds (Schedule 2)
<b>CASH RECEIPTS</b>					
Property Taxes	333,689				333,689
Intergovernmental	11,020				11,020
Total Cash Receipts	344,709	0	0	0	344,709
<b>CASH DISBURSEMENTS</b>					
General Government	400		8,195	400	8,995
Debt Service:					
Principal Retirement	220,000	61,738		100,000	381,738
Interest	108,588	463		63,928	172,979
Total Cash Disbursements	328,988	62,201	8,195	164,328	563,712
Excess of Cash Receipts Over (Under) Cash Disbursements	15,721	(62,201)	(8,195)	(164,328)	(219,003)
<b>OTHER FINANCING SOURCES</b>					
Component Unit Transfers In		62,201		164,328	226,529
Total Other Financing Sources:	0	62,201	0	164,328	226,529
Net Change in Fund Balances	15,721	0	(8,195)	0	7,526
Fund Balances, Beginning of Year	338,802	0	8,195	0	346,997
Fund Balances, End of Year	354,523	0	0	0	354,523

**RED WILLOW COUNTY, NEBRASKA**

**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH BASIS FUND BALANCES - BUDGET AND ACTUAL  
NONMAJOR FUNDS**

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>HIGHWAY BUYBACK</b>				
CASH RECEIPTS	85,653	85,653	85,653	0
CASH DISBURSEMENTS	81,443	81,443	54,420	27,023
Net Change in Fund Balance	4,210	4,210	31,233	27,023
Fund Balance, Beginning of Year	81,444	81,444	81,444	
Fund Balance, End of Year	85,654	85,654	112,677	27,023
<b>PLANNING AND ZONING</b>				
CASH RECEIPTS	0	0	0	0
OTHER FINANCING (Uses):				
Operating Transfers (Out)	(2,373)	(2,373)	(2,373)	0
Net Change in Fund Balance	(2,373)	(2,373)	(2,373)	0
Fund Balance, Beginning of Year	2,373	2,373	2,373	
Fund Balance, End of Year	0	0	0	0
<b>CHILD SUPPORT INCENTIVE</b>				
CASH RECEIPTS	0	0	12,215	12,215
CASH DISBURSEMENTS	63,276	63,276	8,880	54,396
Net Change in Fund Balance	(63,276)	(63,276)	3,335	66,611
Fund Balance, Beginning of Year	63,276	63,276	63,276	
Fund Balance, End of Year	0	0	66,611	66,611
<b>VISITOR'S PROMOTION</b>				
CASH RECEIPTS	66,682	66,682	71,849	5,167
CASH DISBURSEMENTS	80,000	80,000	60,154	19,846
Net Change in Fund Balance	(13,318)	(13,318)	11,695	25,013
Fund Balance, Beginning of Year	13,318	13,318	13,318	
Fund Balance, End of Year	0	0	25,013	25,013
<b>VISITOR'S IMPROVEMENT</b>				
CASH RECEIPTS	75,540	75,540	80,003	4,463
CASH DISBURSEMENTS	120,000	120,000	62,378	57,622
Net Change in Fund Balance	(44,460)	(44,460)	17,625	62,085
Fund Balance, Beginning of Year	44,460	44,460	44,460	
Fund Balance, End of Year	0	0	62,085	62,085

**RED WILLOW COUNTY, NEBRASKA**

**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH BASIS FUND BALANCES - BUDGET AND ACTUAL  
NONMAJOR FUNDS**

For the Year Ended June 30, 2015

**SCHEDULE 6  
CONTINUED**

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>FAIR</b>				
CASH RECEIPTS	543,414	543,414	320,724	(222,690)
CASH DISBURSEMENTS	626,473	626,473	339,178	287,295
Net Change in Fund Balance	(83,059)	(83,059)	(18,454)	64,605
Fund Balance, Beginning of Year	83,059	83,059	83,059	
Fund Balance, End of Year	0	0	64,605	64,605
<b>FAIR SINKING</b>				
CASH RECEIPTS	2,500	2,500	1,736	(764)
CASH DISBURSEMENTS	12,719	12,719	0	12,719
Net Change in Fund Balance	(10,219)	(10,219)	1,736	11,955
Fund Balance, Beginning of Year	10,219	10,219	10,219	
Fund Balance, End of Year	0	0	11,955	11,955
<b>REGISTER OF DEEDS P&amp;M</b>				
CASH RECEIPTS	7,000	7,000	7,751	751
CASH DISBURSEMENTS	10,000	10,000	5,781	4,219
Net Change in Fund Balance	(3,000)	(3,000)	1,970	4,970
Fund Balance, Beginning of Year	3,769	3,769	3,769	
Fund Balance, End of Year	769	769	5,739	4,970
<b>KIPLINGER ARENA</b>				
CASH RECEIPTS	553,458	553,458	111,753	(441,705)
CASH DISBURSEMENTS	592,238	592,238	100,729	491,509
Net Change in Fund Balance	(38,780)	(38,780)	11,024	49,804
Fund Balance, Beginning of Year	38,780	38,780	38,780	
Fund Balance, End of Year	0	0	49,804	49,804
<b>KIPLINGER ENDOWMENT</b>				
CASH RECEIPTS	250,000	250,000	56	(249,944)
CASH DISBURSEMENTS	848,204	848,204	287,789	560,415
Net Change in Fund Balance	(598,204)	(598,204)	(287,733)	310,471
Fund Balance, Beginning of Year	598,204	598,204	598,204	
Fund Balance, End of Year	0	0	310,471	310,471

**RED WILLOW COUNTY, NEBRASKA**

**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH BASIS FUND BALANCES - BUDGET AND ACTUAL  
NONMAJOR FUNDS**

For the Year Ended June 30, 2015

**SCHEDULE 6  
CONTINUED**

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>VETERAN'S AID</b>				
CASH RECEIPTS	0	0	56	56
CASH DISBURSEMENTS	8,600	8,600	0	8,600
Net Change in Fund Balance	(8,600)	(8,600)	56	8,656
Fund Balance, Beginning of Year	8,664	8,664	8,664	
Fund Balance, End of Year	64	64	8,720	8,656
<b>STOP DIVERSION</b>				
CASH RECEIPTS	0	0	3,240	3,240
CASH DISBURSEMENTS	23,884	23,884	1,618	22,266
Net Change in Fund Balance	(23,884)	(23,884)	1,622	25,506
Fund Balance, Beginning of Year	23,884	23,884	23,884	
Fund Balance, End of Year	0	0	25,506	25,506
<b>DRUG LAW ENFORCEMENT</b>				
CASH RECEIPTS	0	0	1	1
CASH DISBURSEMENTS	1,052	1,052	0	1,052
Net Change in Fund Balance	(1,052)	(1,052)	1	1,053
Fund Balance, Beginning of Year	1,052	1,052	1,052	
Fund Balance, End of Year	0	0	1,053	1,053
<b>JUVENILE SERVICES</b>				
CASH RECEIPTS	0	0	0	0
CASH DISBURSEMENTS	13,157	13,157	0	13,157
Net Change in Fund Balance	(13,157)	(13,157)	0	13,157
Fund Balance, Beginning of Year	13,157	13,157	13,157	
Fund Balance, End of Year	0	0	13,157	13,157
<b>REUSEABLE CDBG GRANTS</b>				
CASH RECEIPTS	0	0	0	0
CASH DISBURSEMENTS	16,371	16,371	16,371	0
Net Change in Fund Balance	(16,371)	(16,371)	(16,371)	0
Fund Balance, Beginning of Year	16,371	16,371	16,371	
Fund Balance, End of Year	0	0	0	0

**RED WILLOW COUNTY, NEBRASKA**

**SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH BASIS FUND BALANCES - BUDGET AND ACTUAL  
NONMAJOR FUNDS**

For the Year Ended June 30, 2015

**SCHEDULE 6  
CONTINUED**

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>HEALTH DEPARTMENT</b>				
CASH RECEIPTS	110,500	110,500	203,943	93,443
CASH DISBURSEMENTS	257,278	257,278	240,772	16,506
Net Change in Fund Balance	(146,778)	(146,778)	(36,829)	109,949
Fund Balance, Beginning of Year	150,539	150,539	150,539	
Fund Balance, End of Year	3,761	3,761	113,710	109,949
<b>HILLCREST NURSING HOME LOAN</b>				
CASH RECEIPTS	222,928	222,928	222,928	0
CASH DISBURSEMENTS	222,928	222,928	222,928	0
Net Change in Fund Balance	0	0	0	0
Fund Balance, Beginning of Year	0	0	0	
Fund Balance, End of Year	0	0	0	0
<b>WASTE DISPOSAL</b>				
CASH RECEIPTS	257,167	257,167	205,545	(51,622)
CASH DISBURSEMENTS	246,721	246,721	245,107	1,614
Net Change in Fund Balance	10,446	10,446	(39,562)	(50,008)
Fund Balance, Beginning of Year	219,471	219,471	219,471	
Fund Balance, End of Year	229,917	229,917	179,909	(50,008)
<b>JAIL BOND</b>				
CASH RECEIPTS	339,167	339,167	344,709	5,542
CASH DISBURSEMENTS	328,988	328,988	328,988	0
Net Change in Fund Balance	10,179	10,179	15,721	5,542
Fund Balance, Beginning of Year	338,802	338,802	338,802	
Fund Balance, End of Year	348,981	348,981	354,523	5,542
<b>HIGHWAY ALLOCATION BOND</b>				
CASH RECEIPTS	62,201	62,201	62,201	0
CASH DISBURSEMENTS	62,201	62,201	62,201	0
Net Change in Fund Balance	0	0	0	0
Fund Balance, Beginning of Year	0	0	0	
Fund Balance, End of Year	0	0	0	0

RED WILLOW COUNTY, NEBRASKA

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH BASIS FUND BALANCES - BUDGET AND ACTUAL  
NONMAJOR FUNDS

For the Year Ended June 30, 2015

**SCHEDULE 6  
CONCLUDED**

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>HILLCREST NURSING HOME 2008 BOND</b>				
CASH RECEIPTS	0	0	0	0
CASH DISBURSEMENTS	8,195	8,195	8,195	0
Net Change in Fund Balance	(8,195)	(8,195)	(8,195)	0
Fund Balance, Beginning of Year	8,195	8,195	8,195	
Fund Balance, End of Year	0	0	0	0
<b>HILLCREST NURSING HOME 2011 BOND</b>				
CASH RECEIPTS	164,328	164,328	164,328	0
CASH DISBURSEMENTS	164,328	164,328	164,328	0
Net Change in Fund Balance	0	0	0	0
Fund Balance, Beginning of Year	0	0	0	
Fund Balance, End of Year	0	0	0	0

**RED WILLOW COUNTY, NEBRASKA**

**SCHEDULE OF OFFICE ACTIVITIES**

**For The Year Ended June 30, 2015**

**SCHEDULE 7**

	County Clerk	Clerk of the District Court	County Sheriff	County Attorney	Veteran's Service Officer	Health Department	County Fair	Hazardous Waste	Total
Balance July 1, 2014	20,125	56,688	4,755	360	3,751	10,767	68,138	0	164,584
<b>Receipts</b>									
Licenses and Permits	2,624	4,475	10,235						17,334
Charges for Services	76,772	10,242	38,731	4,420		157,244		152,371	439,780
Miscellaneous	1,930	51	1,735		2	17,495			21,213
State Fees	70,936	14,822							85,758
Other Liabilities	22,491	433,357	22,783			116	341,668		820,415
<b>Total Receipts</b>	<b>174,753</b>	<b>462,947</b>	<b>73,484</b>	<b>4,420</b>	<b>2</b>	<b>174,855</b>	<b>341,668</b>	<b>152,371</b>	<b>1,384,500</b>
<b>Disbursements</b>									
Payments to County Treasurer	81,738	14,438	46,713	4,460		185,202	227,209	126,258	686,018
Payments to State Treasurer	72,956	14,377							87,333
Other Liabilities	23,247	408,199	21,892		36	116	112,781		566,271
<b>Total Disbursements</b>	<b>177,941</b>	<b>437,014</b>	<b>68,605</b>	<b>4,460</b>	<b>36</b>	<b>185,318</b>	<b>339,990</b>	<b>126,258</b>	<b>1,339,622</b>
Balance June 30, 2015	16,937	82,621	9,634	320	3,717	304	69,816	26,113	209,462
<b>BALANCE CONSISTS OF:</b>									
Due to County Treasurer	7,263	1,334	7,243	20		54	25,666	26,113	67,693
Due to State Treasurer	4,853	1,642							6,495
Petty Cash	150	150	1,500		3,717	250	44,150		49,917
Due to Others	4,671	79,495	891	300					85,357
Balance June 30, 2015	16,937	82,621	9,634	320	3,717	304	69,816	26,113	209,462

**DONALD D. WILSON**  
**Certified Public Accountant**

*Member American Institute Certified Public Accountants*

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

County Board of Commissioners  
Red Willow County  
McCook, Nebraska 69001

Board Members:

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Red Willow County, Nebraska, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Red Willow County, Nebraska financial statements, and have issued my report thereon dated December 22, 2015. The report notes the financial statements were prepared on the basis of cash receipts and disbursements and do not include the financial data of the Hillcrest Nursing Home, a component unit of Red Willow County, Nebraska.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Red Willow County, Nebraska internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Red Willow County, Nebraska internal control. Accordingly, I do not express an opinion on the effectiveness of Red Willow County, Nebraska internal control.

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, I identified a certain deficiency in internal control that I consider to be material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. I consider the following deficiency to be a material weakness:

Independent Auditor's Report on Internal Control  
Over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
In Accordance With *Government Auditing Standards*

Page 2

The County offices, which collect and remit money to the County Treasurer, had a lack of segregation of duties since one person could handle all aspects of processing a transaction from beginning to end. Good internal control includes a plan of organization, procedures, and records designed to safeguard assets and provide reliable financial records.

Management Response: Due to a limited number of personnel, an adequate segregation of duties may not be possible without additional cost.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I consider deficiency 2015-1, as described in the accompanying schedule of findings and responses to be a significant deficiency.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Red Willow County, Nebraska financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2015-2.

**Response to Finding**

Red Willow County, Nebraska management response to the findings identified in my audit is described above, and in the accompanying schedule of findings and responses. Red Willow County, Nebraska responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly I express no opinion on them.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Donald D. Wilson, CPA  
McCook, Nebraska

December 22, 2015

**RED WILLOW COUNTY, NEBRASKA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**YEAR ENDED JUNE 30, 2015**

**COUNTY BOARD:**

2015-1 Hazardous Waste Department Internal Control Weaknesses:

During my audit of the Hazardous Waste Department, I identified the following internal control weaknesses:

- Payments for services invoiced out were not remitted to the County Treasurer in a timely manner. I identified two payments totaling \$27,968 that were remitted to the County Treasurer 2-3 months following receipt of the checks. Failure to remit the monies upon receipt will result in the payments being lost.
- Unpaid invoices for services were not followed up on to ensure collection. I identified six invoices totaling \$51,962 that remain unpaid. This included two delinquent invoices greater than 8 months old, totaling \$5,110.
- Invoices were not marked as paid when payments are received.

These internal control weaknesses may result in a loss of revenue for the County.

I recommend that all payments on invoices be mailed directly to the County Treasurer. A copy of this miscellaneous receipt should then be attached to the invoice, identifying it as being paid. I further recommend that all unpaid invoices be reviewed to ensure collection.

2015-2 Budget Appropriations Exceeded:

State Statute §23-916 states that after the adoption of the county budget, expenditures by an officer or department shall not exceed the adopted budget. The procedures to amend the adopted budget are prescribed in State Statute §13-511.

Expenditures of the miscellaneous general budget exceeded the adopted budget for this function by \$96,575. This resulted from the transfers out line item from being over budget by \$133,525. When expenditures are made in excess of the County's adopted budget, the County is not in compliance with State Statute.

I recommend the County Board monitor the expenditures to ensure that budget appropriations are not exceeded.

**RED WILLOW COUNTY, NEBRASKA**

**SCHEDULE OF FINDINGS AND RESPONSES (CONCLUDED)**

**YEAR ENDED JUNE 30, 2015**

**COUNTY BOARD (CONCLUDED):**

*Official's Response:*

*After reviewing your comments regarding the FY 2014-2015 audit, we are happy to report that certain changes in procedures have been implemented:*

*2015-1 Invoices for payment for waste collection services will now be issued at the time of the collection, and copies to the County Treasurer. Payments will be remitted to the Treasurer rather than the HHW Director. The Board and the County Clerk will be overseeing the process to assist if needed.*

*2015-2 The County Clerk was, unfortunately, unaware of the steps needed to track the transfers from the General Fund into other funds. She has since met with you and received the training necessary to track these transfers and prevent further overages.*

*We greatly appreciate your expertise and thoughtful criticism in helping us meet our statutory obligations to the taxpayers of red Willow County.*

**COUNTY TREASURER:**

2015-3 Commission on Tax Collections:

State Statute §33-114 states that the County can receive a 1% commission on tax dollars collected for a school district.

During my audit, I noted that a 1% commission on tax collections had not been collected by the County Treasurer for School District 70 since the origination of this district in 2008. This resulted in a loss of revenue of around \$7,000 to the County.

I recommend the County Treasurer attempt to obtain this uncollected commission amount from the school district.

*Official's Response:*

*It was discovered in this audit that I had not collected the 1% collection fee on the real and personal taxes and the interest collected since the merger of this school district. I have written a letter to the school district board to set out a plan of collecting the fees that were missed. My deputy did take a call from the Superintendent and he told her that he would prefer that we deduct the entire missed fees from the April 2016 collections. I am currently waiting for a letter giving me that direction. The amount is approximately \$6,900.*

*I would like to state that I did collect the 1% on the motor vehicle taxes, homestead and tax credits, etc. There is one place in the computer that was missed putting in the 1% collection fee and therefore, it did not deduct the collection fee on the real and personal tax. Also, I have reviewed all other funds to make sure the collection fees were set up correctly and they were.*